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UNIDO TECHNICAL COOPERATION ACTIVITIES IN 1994

Report by the Director-General

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Introduction

1. In accordance with Industrial Development Board decision IDB.7/Dec.11, the Director-General is to present an annual report on the technical cooperation activities of UNIDO. Information on such activities for 1994 is provided in the Annual Report of UNIDO, 1994 (IDB.14/10, chap. III, and IDB.14/10/Add.1 and Corr.1). A list of technical cooperation projects approved and/or operational in 1994 will also be made available to the Board in a conference room paper.

2. Debates on the subject at the most recent sessions of the Board and the General Conference have focused on the quality aspects of technical cooperation.

3. After consideration of a report by the Director-General on the development of a quality management system for UNIDO technical cooperation (IDB.12/8), in its decision IDB.12/Dec.5 the Board addressed a number of requests to the Director-General in that respect. The present document describes the UNIDO response to those requests.

I. IMPROVING THE QUALITY OF TECHNICAL COOPERATION

(GC.5/Res.1, paras. 2, 6;
IDB.12/Dec.5, paras. (c)(i), (ii))

4. With regard to subparagraph (c)(i) of decision IDB.12/Dec.5, in which the Director-General was requested to complete the quality system for technical cooperation, the following steps have been undertaken as planned in document IDB.12/8, paragraphs 7 and 8:

(a) The focusing of UNIDO's activities is described in document IDB.14/13 which is presented to the Board at its current session under item 4 of the provisional agenda. The basic concept for the focusing was also explained in the introduction to the proposed programme and budgets, 1996-1997 (IDB.14/2 and Corr.1);

(b) The precise delineation of responsibilities between the Quality Assurance Unit and the divisional quality assurance officers is under continuous dialogue and guidelines are expected to be issued;

(c) A quality manual was drafted and will be finalized once the proposed UNIDO priorities have been agreed upon;

(d) Staff training has begun on the application of the Quality System for UNIDO Services (CPD.11) throughout the service management process, as foreseen in Director-General's Bulletin UNIDO/DG/B.177. To date, two Managing Directors, three Heads of Branch and 68 other staff members, including 39 Junior Professional Officers, have received such training;

(e) Another evaluation tool, the system for the assessment of the performance of staff and managers, which includes a system of incentives, is being finalized.

5. In decision IDB.12/Dec.5, the Director-General was requested to continue improving the quality of technical cooperation projects, as called for in General Conference resolution GC.5/Res.1. Towards achieving that objective, in March 1995 UNIDO organized a working session on the introduction of quality management into development cooperation agencies. Representatives from bilateral and multilateral development cooperation agencies reached a common understanding on the principles of a participatory approach to the management of development cooperation that had been developed by UNIDO and the German Agency for Technical Cooperation (GTZ) (see PPD.257). The representatives also decided to continue this initiative as an informal network to exchange views on and experience of these principles and methods, and to meet again to assess the progress made in the participatory management of development cooperation. UNIDO, as the initiator of this endeavour, will brief representatives of the Organization for Economic Cooperation and Development, the World Bank and the United Nations Development Programme who, although not able to attend the first session, are working on the same or similar principles.

6. The experience in the application of the principles of participatory approach and the notion of ownership and management responsibility, is still limited. Thus, although UNIDO has a blueprint for its technical cooperation services, including procedures, methods and instruments (see CPD.11), the principles for the management of development cooperation have been tested in the development of only a few technical cooperation projects as reflected in the Annual Report, 1994 (IDB.14/10, chap. IV, paras. 21-28).

II. GUIDELINES FOR THE SERVICE MANAGEMENT PROCESS

(IDB.12/Dec.5, para. (b)(iii))

7. With regard to procedures, the UNIDO guidelines for the service management process (UNIDO/DG/B.177) is currently being reviewed through a survey of the experience of management staff with this process. The review will be used to analyse the problems encountered by staff and managers, eliminate steps that have no value added, adjust responsibilities and redefine time limits. A revised draft revision is expected to be ready by mid-

1995. The procedures will ensure that the principles of a participatory approach to the management of development cooperation are reflected.

III. COUNTRY AND REGIONAL SUPPORT STRATEGIES AND PROGRAMMING BRIEFS

(IDB.12/Dec.5, para. (b)(iv))

8. A total of 103 country programming briefs have been prepared in accordance with Director-General's Bulletin UNIDO/DG/B.177 and others are being finalized pending feedback from the respective countries and programming missions. Based on the first round of experiences, a standard outline of programming briefs are being developed to ensure quality and comparability. These briefs will be incorporated into the updating exercise. A first draft of regional strategies has been completed for all five regions. Five country strategies are in an advanced stage; in the case of Indonesia, the strategy evolved from the Industrial Development Review for that country, and in the case of the Syrian Arab Republic, the strategy was developed on the basis of a technical support services at the programme level (TSS-1) exercise. Twenty-nine more country strategies are under preparation.

IV. ACTION REQUIRED OF THE BOARD

9. The Board may wish to take note of the information contained in the present document.